

Article - Natural Resources

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§3–909.

(a) The Authority is hereby authorized to provide for the issuance of its bonds for the purpose of refunding any bonds of the Authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the earliest or any subsequent date of redemption, purchase or maturity of such bonds, and, if deemed advisable by the Authority, for the additional purpose of paying all or any part of the cost of a project or any portion thereof. Refunding bonds may be issued in the discretion of the Authority for any corporate purpose, including (without limitation) the public purposes of realizing savings in the effective costs of debt service, directly or through a debt restructuring, or alleviating an impending or actual default or relieving the Authority of contractual agreements which, in the opinion of the Authority, have become unreasonably onerous or impracticable or impossible to perform. Refunding bonds (in one or more series) may be issued in an amount in excess of that of the bonds to be refunded. Without limiting the extent or nature of any sources of payment provided by the Authority, refunding bonds may be made payable from escrowed bond proceeds and from interest, income, and profits, if any, on investments. Such sources may be so applied in addition to other lawful uses and shall constitute revenues of a project under this subtitle.

(b) The proceeds of any such bonds issued for the purpose of refunding outstanding bonds may, in the discretion of the Authority, be applied to the purchase or retirement at maturity or redemption of such outstanding bonds either on their earliest or any subsequent redemption date, and may, pending such application, be placed in escrow to be applied to such purchase or retirement at maturity or redemption on such date as may be determined by the Authority.

(c) Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations of or guaranteed by the United States of America, or in certificates of deposit or time deposits secured by obligations of or guaranteed by the United States of America, maturing at such time or times as shall be appropriate to ensure the prompt payment, as to principal, interest, and redemption premium, if any, of the outstanding bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income, and profits, if any, earned or realized on the investments thereof may be returned to the Authority for use by it in any lawful manner.

(d) The portion of the proceeds of any such bonds issued for the additional purpose of paying all or any part of the cost of a project may be invested and reinvested in obligations of or guaranteed by the United States of America, or in certificates of deposit or time deposits secured by obligations of or guaranteed by the United States of America, maturing not later than the time or times when such proceeds will be needed for the purpose of paying all or any part of such cost. The interest, income and profits, if any, earned or realized on such investment may be applied to the payment of all or any part of such cost or may be used by the Authority in any lawful manner.

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